



Department of Justice

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MARYLAND UTILITY OFFICIAL AND CONTRACTOR PLEAD GUILTY TO WIRE FRAUD IN CONNECTION WITH KICKBACK SCHEME

WASHINGTON, D.C. -- A former official from the Laurel, Maryland-based Washington Suburban Sanitary Commission (WSSC) and a contractor who worked under his supervision pleaded guilty today to separate charges of wire fraud in connection with a kickback scheme, the Department of Justice announced.

Joseph R. Jackson, a former supervisor in the WSSC's Information Technology Section, and Arvind K. Agarwal, a contract computer consultant, pleaded guilty today in U.S. District Court in Greenbelt, Maryland to the wire fraud charges which were filed March 8 and made public at today's plea hearings.

According to the charges, Jackson and Agarwal schemed to defraud the WSSC by circumventing the competitive contracting process in Agarwal's favor and inflating invoices submitted by Agarwal between November 1999 and October 2001. Jackson solicited and received more than \$30,000 from Agarwal or from third parties for money due to Agarwal. In return, Jackson, who supervised Agarwal, recommended that Agarwal receive additional contracts at higher hourly rates and approved for payment Agarwal's invoices which both he and Agarwal knew to be fraudulently inflated. This scheme caused the WSSC to make at least \$75,000 in excessive payments to Agarwal via interstate wire transfers.

The WSSC is a quasi-governmental agency charged with providing drinking and waste water services in the Washington suburbs of Prince George's and Montgomery Counties,

Maryland. One of the 10 largest agencies of its kind in the United States, it serves an estimated 1.6 million residents with an annual operating budget of \$466 million. The Information Technology Section of the WSSC, with an annual budget of approximately \$15 million, is responsible for the installation and maintenance of the WSSC's computer equipment and software programs.

"Corrupting the bidding and contracting system of public agencies directly victimizes the citizens in our communities," said James M. Griffin, the Antitrust Division's Deputy Assistant Attorney General for Criminal Enforcement.

Wire fraud, a violation of 18 U.S.C. § 1343, carries a maximum penalty of five years incarceration, a criminal fine of \$250,000, or both. In addition, a person convicted under this statute may be ordered to make full restitution to their victim for any losses incurred.

This investigation was conducted by the Antitrust Division's National Criminal Enforcement Section in conjunction with the United States Attorney's Office for the District of Maryland, and assisted by the United States Postal Inspection Service.

Anyone with information about anticompetitive or otherwise fraudulent activities involving the Washington Suburban Sanitary Commission should contact the Antitrust Division's National Criminal Enforcement Section at (202) 307-5784.

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